

To: Medicare Eligible Retirees

From: Charles S. Reed, Associate Director

CC: All OHB

Date: November 24, 2000

Re: Your Medicare Plan Premiums and Benefit Changes Effective January 1, 2001

Monthly Rate Increase

Medicare eligible retirees enrolled in the Advantage 65, Medicare Complementary (Option I), Medicare Supplemental (Option II) and Drug Only plans will experience an average 5% increase in monthly premiums effective January 1, 2001. However, the current outpatient prescription drug copayments will not change for the Advantage 65, Option I and Drug Only plans. The plans with dental coverage will pay more in benefits annually (see below for details).

You will notice a new approach to presenting your monthly premiums. Enclosed is a new four-page booklet with the Medicare and non-Medicare monthly premiums and a worksheet for calculating the combination Medicare and non-Medicare premiums. There is also a chart which directs you to a specific contact if you need help calculating your total premium.

New Dental/Vision Plan Introduced

We are introducing a new Medicare Dental/Vision plan for January 1, 2001. It is available as a stand-alone product or may be added to the Advantage 65, Option II or the Drug Only plan. The Dental/Vision plan has the same dental and vision benefits available in the Option I plan.

Benefit Changes

The only benefit change besides the addition of the new Dental/Vision plan concerns Option I. Effective January 1, there is an increase in the dental calendar year limit from \$1,000 to \$1,200 per benefit period. The \$1,200 limit also is reflected in the new Dental/Vision product. This means the plan will pay \$200 more for covered dental services during the calendar year.

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Your Options for Making Changes

1. **To stay in your current plan...do nothing!** Your new monthly premium will automatically be deducted or collected in the usual manner.
2. **To change plans...** complete a Retiree Health Benefits Program Enrollment/Waiver Form and send it to the appropriate location shown on the form. Enroll by December 20 for an effective coverage date of January 1.
3. **To enroll in the Dental/Vision Plan or add it to your current plan...**use the enclosed Retiree Enrollment/Waiver Form.
4. **To find out more about a federal Medicare Managed Care HMO Plan...**contact your local Social Security office or visit the Medicare web site on the Internet at <http://www.medicare.gov>.
 - The Commonwealth of Virginia considers federal Medicare Managed Care HMOs to be part of the state's authorized plans. If you decide that the Medicare Managed Care Plan does not meet your needs, **you may return** to the state plan you had before you left (except for Option I and Option II). If you were enrolled in Option I or Option II, Advantage 65 is the only plan available with comparable benefits.
 - If you choose a Medicare Managed Care Plan, contact that plan directly to enroll. Remember to **disenroll** from your state plan by completing the enclosed Disenroll From State Retiree Plan Form. See important billing information on this form.
5. **To investigate a Medigap plan...**contact private health insurance companies in Virginia who offer these plans.
 - Medigap plans are standard, supplemental insurance plans offered as individual policies and specially designed to fill the gaps in Medicare Part A and B coverage.
 - Remember that if you choose a Medigap plan, **you may not return** to the Retiree Health Benefits Program. Contact the selected health plan directly to enroll, and complete the waiver portion of the Retiree Enrollment/Waiver Form.

Enclosures:

Retiree Monthly Premiums
Dental/Vision Plan fact sheet
Medicare Plan Options brochure
Retiree Enrollment/Waiver form
Disenroll From State Retiree Plan form